

SCHEDULE K-1

FORM 741

Commonwealth of Kentucky
REVENUE CABINET

**Kentucky Beneficiary's Share
of Income, Deductions, Credits, etc.**

(Complete a separate Schedule K-1 for each beneficiary.)

1998

For calendar year or fiscal year

beginning _____, 1998, and ending _____, 199_____.

Name of estate or trust ➤

- ☐ Amended K-1
☐ Final K-1

Beneficiary's identifying number ➤

**Estate or trust's federal
employer identification number ➤**

Beneficiary's name, address and ZIP code

Fiduciary's name, address and ZIP code

(a) Allocable Share Item	(b) Amount
1. Interest	
2. Dividends	
3. a Net short-term capital gain	
b Net long-term capital gain	
4. a Annuities, royalties and other nonpassive income before directly apportioned deductions (see federal instructions)	
b Depreciation	
c Depletion	
d Amortization	
5. a Trade or business, rental real estate and other rental income before directly apportioned deductions (see federal instructions)	
b Depreciation	
c Depletion	
d Amortization	
6. Federal estate tax deduction (attach computation)	
7. Foreign taxes (attach schedule)	
8. Deductions in the final year of estate or trust:	
a Excess deductions on termination (attach computation)	
b Short-term capital loss carryover	
c Long-term capital loss carryover	
d Net operating loss (NOL) carryover	
e _____	
f _____	
9. Other: (itemize)	
a _____	
b _____	
c _____	
10. Kentucky tax-exempt interest	
Resident Beneficiary Adjustment	
11. Combination of Kentucky Schedule K-1, lines 1 through 5, 9 and portions of line 8. Add income amounts and subtract (loss) and deduction amounts (see instructions)	
12. Combination of federal Schedule K-1, lines 1 through 6 and portions of lines 13 and 14. Add income amounts and subtract (loss) and deduction amounts (see instructions)	
13. Enter the difference of lines 11 and 12 here and on appropriate line on Form 740, page 2 (see instructions)	

INSTRUCTIONS TO BENEFICIARY

SCHEDULE K-1 (FORM 741)

Who Must File—If you were a Kentucky resident for the entire year, your filing requirement depends upon the amount of adjusted gross income, age and whether you or your spouse are considered to be blind. You must file a return if:

YOUR FILING STATUS IS	AND	ADJUSTED GROSS INCOME EXCEEDS
Single Person—Under age 65		\$5,000
Single Person—Age 65 or over or blind		\$5,000
Single Person—Age 65 or over and blind		\$5,000
Husband and Wife—Both under age 65		\$5,000
Husband and Wife—One 65 or over		\$5,000
Husband and Wife—Both age 65 or over		\$5,400

Any person with gross receipts of \$5,000 or more from self-employment must file a Form 740 regardless of the amount of adjusted gross income or the number of tax credits claimed.

Generally, all income of Kentucky residents, regardless of where it was earned, is subject to Kentucky income tax.

Nonresidents with income from Kentucky sources and part-year residents receiving income while a Kentucky resident or from Kentucky sources while a nonresident must file a Kentucky return. A Form 740-NP must be filed by an individual with income from Kentucky sources and a combined gross income from all sources of \$5,000 or more. Full-year nonresidents must report all income from Kentucky sources and from property located in Kentucky.

Persons moving into Kentucky must report income received from Kentucky sources prior to becoming residents and income received from all sources after becoming Kentucky residents. Residents moving out of Kentucky during the year must report income from all sources while a resident and from Kentucky sources while a nonresident.

When to Report—Include your share of the estate or trust's income, deductions, credit, etc., as shown by your Schedule K-1 (Form 741) on your Kentucky income tax return for the year in which the tax year of the estate or trust ends. For example, if you, the beneficiary, are on a calendar year, and the estate or trust's tax year ends January 31, 1998, you must take the items listed on Schedule K-1 (Form 741) into account on your tax return for calendar year 1998.

Passive Activity Limitations—Form 740 filers see Form 8582-K and instructions for passive activity loss adjustments. Nonresident beneficiaries (740-NP filers) must complete Form 8582-K and federal Schedule E with Kentucky amounts.

Kentucky Resident Beneficiaries (Form 740 Filers)—If Line 11 is greater than Line 12, enter the difference as an addition to federal adjusted gross income on Form 740, Line 39. If Line 12 is greater than Line 11, enter the difference as a subtraction on Form 740, Line 47.

Nonresident Beneficiaries (Form 740-NP Filers)—See instructions for Form 740-NP and federal Schedule E on how to report the amounts in column (b).